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Fresno, California

May 28, 2002

The City Council met in regular session at the hour of 8:18 a.m. in the Council Chambers, City Hall, on the day above written.

Present:	Tom Boyajian	Councilmember
	Brian Calhoun	Councilmember
	Brad Castillo	Acting President
	Jerry Duncan	Councilmember
	Sal Quintero	Councilmember
	Dan Ronquillo	Councilmember (present for the afternoon session)
	Henry Perea	Council President

Dan Hobbs, City Manager
Hilda Cantu Montoy, City Attorney
Becky Klisch, City Clerk
Yolanda Salazar, Assistant City Clerk

City Manager Hobbs gave the invocation and President Perea led the Pledge of Allegiance to the Flag.

President Perea advised the majority of the agenda would be continued to the afternoon as four members of the Council would be attending the funeral for Fresno County Sheriff's Deputy Phelps this morning. Brief discussion ensued on the time to reconvene and by consensus the Agency and Council to reconvene at 1:00 p.m.

(8:30 A.M.) HEARING TO CONSIDER AGENCY ADOPTION OF A RESOLUTION DETERMINING PUBLIC INTEREST AND NECESSITY REQUIRE THE ACQUISITION OF CERTAIN PROPERTY LOCATED AT 1333 AND 1353 BROADWAY PLAZA, OWNED BY HARRY M. AND MARY M. SAHAKIAN AND TRUSTEES OF THE HARRY M. AND MARY M. SAHAKIAN LIVING TRUST, DATED MAY 22, 1991 (APN 467-206-16 & 19), FOR PUBLIC PURPOSES TO PROVIDE FOR THE REDEVELOPMENT OF THE PROPERTY, AND AUTHORIZING EMINENT DOMAIN PROCEEDINGS FOR PUBLIC USE AND PURPOSE

Continued to 1:00 p.m.

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PRESENTATION OF DRIVER APPRECIATION AWARDS TO 2001 4TH QUARTER RECIPIENTS AND 2002 1ST QUARTER RECIPIENTS

Presented.

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APPROVE CITY COUNCIL MINUTES OF MAY 21, 2002

On motion of Councilmember Calhoun, seconded by Acting President Duncan, duly carried, RESOLVED, the minutes of May 21, 2002, approved as submitted.

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APPROVE AGENDA:

CONGRATULATIONS TO CITY EMPLOYEE CULLEN METTLACH AS THE MAYOR'S PROGRAM FATHER OF THE YEAR - COUNCILMEMBER QUINTERO

Commendation made and to be extended to Mr. Mettlach.

On motion of Acting President Castillo, seconded by Councilmember Calhoun, duly carried, RESOLVED, the **AGENDA** hereby approved, by the following vote:

Ayes	:	Boyajian, Calhoun, Castillo, Duncan, Quintero, Perea
Noes	:	None
Absent	:	Ronquillo

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APPROVE CONSENT CALENDAR:

(1-A) AWARD A CONTRACT TO REMOVE AND REPLACE ASPHALT CONCRETE PAVING AT W. BULLARD AND N. TRACY AVENUES

On motion of Councilmember Calhoun, seconded by Councilmember Duncan, duly carried, RESOLVED, a contract hereby awarded to American Paving Co. in the amount of \$39,840.50 to remove and replace asphalt concrete paving at W. Bullard and N. Tracy Avenues, by the following vote:

Ayes	:	Boyajian, Calhoun, Castillo, Duncan, Quintero, Perea
Noes	:	None
Absent	:	Ronquillo

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RECESS - 8:33 A.M. - 1:00 P.M.

The Redevelopment Agency met in regular session at 1:05 p.m. with all members present.

APPROVE AGENCY MINUTES OF MAY 21, 2002

On motion of Member Perea, seconded by Member Castillo, duly carried, RESOLVED, the Agency minutes of May 21, 2002, approved as submitted.

(8:30 A.M.) HEARING TO CONSIDER AGENCY ADOPTION OF A RESOLUTION DETERMINING PUBLIC INTEREST AND NECESSITY REQUIRE THE ACQUISITION OF CERTAIN PROPERTY LOCATED AT 1333 AND 1353 BROADWAY PLAZA, OWNED BY HARRY M. AND MARY M. SAHAKIAN AND TRUSTEES OF THE HARRY M. AND MARY M. SAHAKIAN LIVING TRUST, DATED MAY 22, 1991 (APN 467-206-16 & 19), FOR PUBLIC PURPOSES TO PROVIDE FOR THE REDEVELOPMENT OF THE PROPERTY, AND AUTHORIZING EMINENT DOMAIN PROCEEDINGS FOR PUBLIC USE AND PURPOSE (AGENCY ACTION)
1. * AGENCY RESOLUTION NO. 1605 - DETERMINING THAT PUBLIC INTEREST AND NECESSITY REQUIRE THE ACQUISITION OF THE PROPERTY AND AUTHORIZING EMINENT DOMAIN PROCEEDINGS FOR PUBLIC USE AND PURPOSE

Chair Duncan announced the time had arrived to consider the issue and opened the hearing. Redevelopment Administrator Murphey reviewed the issue at length including owner participation offer and findings to be made, all included in the staff report as submitted, and recommended the resolution be adopted this date and advised staff would continue to negotiate with the property owners.

Speaking in opposition to staff's recommendation were: property owner Harry Sahakian, who submitted photographs of the subject properties, and Charles Briggs and Tom Robinson, representing Mr. Sahakian, who stated there was a listing on the properties and the property values were higher than the Agency's offer.

Upon call, no one else wished to be heard and Chair Duncan closed the public hearing.

Chair Duncan entered staff's comprehensive report into the record and extensive discussion ensued with Ms. Murphey, Mr. Briggs, Mr. Robinson, Outside Counsel Bacigalupi and FRC Director Morgan clarifying issues and/or responding to questions and comments of Chair Duncan and Members Boyajian, Castillo, Quintero and Ronquillo relative to the properties being listed for sale, value of the properties, process for determining final and fair price per Redevelopment Law, process after an MAI appraisal, if there was an appraisal since the properties were listed, how the owners determined the value of the properties/what the value was based on, how long the properties had been for sale, if an MAI appraisal was going to be conducted, gross rental and per square foot costs, what the public need was for the city, the potential IRA facility presenting an opportunity for jobs, if two weeks for an appraisal would hurt the public good, time being of the essence for the IRS, reiteration to proceed with the resolution and staff making itself available to negotiate any new information, Mr. Robinson stating the Sahakian's would accept \$735,000, where the Sahakian's were in the appraisal process and if it would be completed in two weeks, purpose of condemnation also being to protect the city's tax dollars, if any property in the subject vicinity was currently receiving 75-80 cents per square foot, what the city's appraisal was based on, if the Sahakian's had anything in writing to verify 70-80 cent per square foot rates in the subject area, **(2 - 0)** if Mr. Sahakian would still have the opportunity to bring his appraisal forward if the resolution were adopted this date, if vacant properties around the site were taken into consideration by staff, if the proposed IRS project would generate property tax, why the Sahakian's were not interested in owner participation, if the appraisal would be completed in two weeks, clarification of expectancy value versus reality, if the Greyhound Bus Depot square foot/rental rate was looked at, appraisals being made at the highest and best use and rental rate and comparable sales value of similarly situated properties, comparable rents that looked at, what the blight issue was, Member Ronquillo clarifying there were processes sanctioned by the State and federal government allowing an additional appraisal and, if desired, a court hearing to determine fair price, the also law requiring the Agency to consider a property owner's appraisal before going to court, if down time and relocation costs were given to owners, if the new developers would provide parking, what the Agency would sell the property for, and possibility of using the new parking for the stadium.

On motion of Chair Duncan, seconded by Member Perea, duly carried, RESOLVED, the above entitled Agency Resolution No. 1605 hereby adopted, and Agency staff and the City Attorney's office, or retained outside counsel, directed to take all necessary steps to proceed immediately with the property acquisitions, including seeking an Order of Possession on the subject properties, by the following vote:

Ayes	:	Boyajian, Calhoun, Castillo, Perea, Quintero, Ronquillo, Duncan
Noes	:	None
Absent	:	None

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The Redevelopment Agency adjourned their meeting at 2:04 p.m. and the City Council reconvened in regular session at 2:05 p.m.

(9:00 A.M.) CONTINUED BUDGET HEARING

TRANSPORTATION DEPARTMENT - AIRPORTS

Assistant City Manager Esquivel distributed written material to Council, using charts to illustrate reviewed the Airports' FY 2003 budget including revenue sources and uses, rate changes, airport leases, landing fees and low fare carriers, other rates and charges, and challenges, and along with M.A. Harwood and City Manager Hobbs clarified issues and/or responded to questions of President Perea and Councilmember Calhoun relative to the fees being increased, increase in salaries and perception of a reorganization, need for the three new positions and why they were not being held off one year if the department was awaiting the Macias report, and what major thing was going on at the airport with the position changes **(3 - 0)**.

MOTION - Councilmember Calhoun/President Perea - Refer the three new positions to the Council Subcommittee for review.

Mr. Severo, Ms. Harwood and Airports Operations Manager Van Valkenburgh responded to additional questions of Councilmember Calhoun relative to increase in overtime, why the amount was so much higher than FY 02, and if proper management was occurring. Councilmember Calhoun commented briefly on Council's concerns with overtime in fire and police also.

MOTION - Councilmember Calhoun/President Perea - Refer the overtime increase to the Council Subcommittee

Extensive discussion ensued with Mr. Severo, Public Relations/Communications Manager Miller, Mr. Hobbs, Airports Development Manager Card and Economic Development/Planning Manager Bayhi responding to questions, comments and/or concerns of Councilmembers Duncan, Ronquillo, Boyajian, Quintero, Castillo and President Perea relative to who owns the airport hangars, if the city gets any revenues from rate increases, suggestion to staff to negotiate for a percentage of the rate increases, need for staff to be more aggressive in identifying other airports to have a stronger affiliation, need for more reasonable rates to compete with airports with better rates, convenience, etc., ridership statistics, if other successful airports were being looked at and if a study was needed, perception of businesses not locating in Fresno due to inability to fly in or out, dissatisfaction with the airports performance, perception being an issue and if staff worked with the media on services and changes, what airlines look for, lost luggage, Council-

member Duncan commending staff in their efforts to recruit new airlines adding he found it very convenient to get out of Fresno and security was easier than other airports, landscaping standards and if it was possible to have more greenery in the parking lot, concourse expansion project including completion date, contingency and if the project was within budget, other major projects and funding, 50-year leases, if lease rates were checked periodically, amount of revenues collected yearly on all leases, who monitors leases for compliance, audits for checks and balances **(4 - 0)** the McGladry report, short-term parking and reimbursement, if sworn officers were used at the airport, advertising/marketing budget, incentives to travel agencies to book airlines, need for staff to think out of the box, rates being an important issue, need to mitigate people flying out of other airports, request for information on alternatives to increase ridership, and personnel and non-personnel increases. President Perea commented on and presented questions relative to the original concourse project approved by Council 1 ½ to 2 years ago at a cost of \$33 million with a \$2 million dollar contingency, noted \$1 million of contingency had already been used and he was concerned and believed the project would be over budget and he wanted to know what the numbers were currently and where they would be in September or November when the project is completed, and concluded stating taxpayer dollars were used that shouldn't have been if the project had been managed efficiently at the start, with Mr. Esquivel and Mr. Hobbs responding. There was no further discussion.

TRANSPORTATION DEPARTMENT - FRESNO AREA EXPRESS (FAX)

Transit Manager Rudd noted FAX's FY 2003 budget was one-half percent lower than FY 02's budget, identified key staff in attendance and gave an overview of the budget including revenues, federal and state funding, expenses, absenteeism, and future revenue and expenditure challenges.

Councilmember Calhoun stated he would push to keep Measure C in FAX's budget, and spoke to the need to get the subsidy down, increase ridership, and in opposition to 15-minute service stating it was important to keep buses running on time and now was not the time for it. Councilmember Duncan stated he was appalled at the average bus driver's absenteeism, spoke in support of 15 minute service on heavily traveled routes, and questioned why bus drivers had that kind of absenteeism rate and what needed to be done to reduce the rate, with Mr. Rudd responding. Councilmember Ronquillo spoke in support of the "smart" card system stating the city was losing revenue without it and upon request Mr. Rudd explained the smart/debit card system. Mr. Rudd and City Manager Hobbs responded to questions of Councilmembers Boyajian, Quintero, Ronquillo and President Perea relative to all day passes, if trolleys had been considered to link downtown together, service to Valley Children's Hospital including the cost, contract term and if the city was subsidizing that service **(5 - 0)**, cost to retrofit buses versus purchasing CNG buses, night ridership service, passengers who do have the full bus fare (with Mr. Hobbs advising as much as 40% from fare revenues were not full fare and he was very concerned with that issue), gold card for seniors eighty years and older, bus advertising revenue, plan for absenteeism and how much the budget could be reduced if plan negotiations are successful, Mr. Hobbs suggesting a Council resolution stating labor negotiations will not be concluded until a workable plan is presented on the absenteeism problem, Councilmember Duncan noting time missed overall was 430 hour a year per driver requiring forty additional drivers to maintain service levels and stated cutting that amount in half would eliminate 20 drivers which could be used for expanded routes and other plans, working with the union to reduce overtime and implementing suggestions, if the \$2 million in federal highway dollars could be earmarked for alternative transportation systems, and air quality and opposition to going to Los Angeles' designation.

Gloria Torrez spoke to the need to reinstate frequencies on Line 38, eliminate the fare increase, go to clean air diesel buses, keep all FAX monies with FAX, and elaborated on various transit related issues and needs.

Mr. Rudd, Controller Quinto and Mr. Hobbs responded to questions of Acting President Castillo relative to what management could do to decrease overtime costs, cost for the twenty bus driver proposal, and proposal and need to reduce overtime. There was no further discussion.

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(8:35 A.M.) CLOSED SESSION:

1. CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION - CASE NAME: CITY OF FRESNO V. FRESNO COUNTY, LAFCO AND CITY OF CLOVIS - COUNCILMEMBER CALHOUN

The City Council met in closed session in Room 2125 at the hour of 4:36 p.m. to consider the above issue and reconvened in regular open session at 5:14 p.m.

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(9:00 A.M.) CONTINUED BUDGET HEARING

PLANNING AND DEVELOPMENT DEPARTMENT

Planning and Development Director Yovino acknowledged key staff and gave an overview of FY 2003 issues, future needs, revenues, revenue expenses and expenditures, growth activity, and building permits.

Michael Clifton, 209 N. Calaveras, Chair, Tower District Design Review Committee, spoke to the need for funding for design guidelines for the Tower district, **(6 - 0)** with Mr. Yovino responding this was a matter of priorities and his recommendation was priority be given to the two \$50,000 specific plans for Jefferson and Pinedale but Council could modify that if desired.

Mr. Yovino, Controller Quinto and City Manager Hobbs responded to questions of Councilmembers Duncan, Calhoun, Boyajian, Quintero, President Perea and Councilmember Boyajian relative to whether it was time to review and get an opinion on whether the department should remain an enterprise department, if it would be appropriate to change all the zoning to be consistent with the new general plan with one massive motion, CUP enforcement, working relationship/how the Redevelopment Agency works with departments including staffing and projects, need for the department to work with the Agency on economic development and jobs, enticing development to come in, business taxes and if apartment complex owners did not have to pay business taxes, services available at Manchester Center, early Council review of alcohol selling projects, inspections, if it made sense to allocate EDC's \$300,000 to the department, southeast growth commitment and need for Council and Mayor to take a more active role to make the Fancher Creek project happen, local group activity on air quality and strategies, if any fees were being increased, funding allocated for professional consulting services and photographic supplies, the UGM study and completion date, the department's enterprise operation and revenues, putting revenue towards economic development/incentives to bring development in, and working relationship with Caltrans.

MOTION - Councilmember Boyajian/Quintero - Provide funding for Tower District Design Review Committee guidelines (as requested by Mr. Clifton)

CITY ATTORNEY'S OFFICE
CITY CLERK'S OFFICE
PARKS AND RECREATION
GENERAL SERVICES DEPARTMENT
PERSONNEL SERVICES DEPARTMENT
FINANCE DEPARTMENT

The budget hearing and the above departments were continued to June 4, 2002, at 1:30 p.m.

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ADJOURNMENT

There being no further business to bring before the Council, the hour of 6:05 p.m. having arrived and hearing no objections, President Perea declared the meeting adjourned.

APPROVED on the _____ day of _____, 2002.

Henry Perea, Council President

ATTEST: _____
Yolanda Salazar, Assistant City Clerk